

A2 A522

Class : B.Com
Sem 2 Regular May 22
Date : 08/05/22
Sub : Fin. Accounting
II

Roll No: _____

Duration : 1 Hour

Jr. Supervisor Sign. _____

35 Marks.

Q.1 Multiple Choice Question

- 1) Usually, in a single entry system _____
 a) Only manual accounts are maintained
 b) Only cash and personal accounts are maintained
 c) Only real accounts are maintained
 d) Only nominal accounts are maintained
 Answer : _____
- 2) Books of accounts are not maintained by
 a) Foreign Branches
 b) Independent Branches
 c) Dependent Branches
 d) Indian Branches
 Answer: _____
- 3) P of Delhi sends out 100 Boxes of toothpaste costing Rs.200 each. Each box consists of 12 packets. 60 boxes were sold by consignee at Rs.12 per packet. Amount of sale value will be
 a) Rs.14,400
 b) Rs.12,000
 c) Rs.13,200
 d) Rs.14,200
 Answer: _____
- 4) Mr. A needs your help in preparing final accounts from his incomplete records. The book value of Fixed Assets was Rs.2,00,000 at 01st April 2012. During the year ended 31st March 2013 Mr. A sold assets for Rs.25,000 on which he made a loss of Rs.5,000. The depreciation charged for the year was Rs.20,000. What is the book value of fixed assets at 31st March, 2013?
 a) Rs.1,50,000
 b) Rs.1,55,000
 c) Rs.1,60,000
 d) Rs.1,80,000
 Answer: _____
- 5) X of Kolkata sends out 400 bags to Y on Delhi costing Rs.200 each. Consignor expenses Rs.2,000. Y expenses: non selling Rs.2,000, selling Rs.1,000. 300 bags were sold by Y. Value of consignment stock will be _____
 a) Rs.20,400
 b) Rs.20,200
 c) Rs.20,000
 d) Rs.21,000
 Answer: _____
- 6) If books are kept under single entry system, opening stock is ascertained by preparing -
 a) Opening Stock Account
 b) Stock Register
 c) Memorandum Trading Account
 d) Opening Statement of Affairs
 Answer: _____
- 7) Under Debtors method, opening balance of Debtor is
 a) Debited to Branch account
 b) Credited to Branch account
 c) Debited to H.O. account
 d) Credited to H.O. account
 Answer: _____
- 8) Closing balance of trade creditors can be ascertained from _____
 a) Total creditors account
 b) Balance sheet
 c) Bills payable account
 d) Cash book
 Answer: _____
- 9) A sends goods costing Rs.1,00,000 on consignment to yield a profit of 20% on cost. What is the invoice price?
 a) Rs.1,37,500
 b) Rs.1,25,000
 c) Rs.1,20,000
 d) Rs.80,000
 Answer: _____

- 10) While valuing closing stock consignment, the _____ expenses incurred by consignor are added to the cost of stock.
a) Full
b) Half
c) Proportionate
d) NIL
Answer: _____
- 11) The relationship between the "consignor" and the "consignee" is that of ____
a) Principal and Principal
b) Agent and Principal
c) Principal and Agent
d) Agent and Sub-agent
Answer: _____
- 12) Under stock and debtors method, branch stock helps to _____
a) Ascertain net profit / loss of branch
b) Ascertain gross profit / loss of branch
c) Ascertain closing stock at the branch
d) Ascertain cost of goods sent to the branch
Answer: _____
- 13) Under stock and debtors method, goods lost in transit or stolen are credited to _____
a) Goods lost in transit A/c
b) Branch adjustment A/c
c) Branch Stock A/c
d) Cash / Bank A/c
Answer: _____
- 14) Proforma invoice is prepared by the _____
a) Seller
b) Consignor
c) Buyer
d) Consignee
Answer: _____
- 15) When cash is sent to branch to meet the expenses at the branch, credit is given to ____
a) Branch account
b) Goods sent to branch account
c) Branch expenses account
d) Cash account
Answer: _____
- 16) When the debtor's method of accounting for transactions is followed, no entry is made for _____
a) Sales made at the head office
b) Bad -debts incurred at the head office
c) Sales made at the branch
d) Remittance from the head office
Answer: _____
- 17) In consignment accounting, if discount is treated as "Consignment expenses" it is debited to ____
a) Consignment A/c
b) Profit & Loss A/c
c) Consignee A/c
d) Consignor A/c
Answer: _____
- 18) To obtain the amount of credit sales made during an accounting period, which account is generally used in single entry and incomplete records?
a) Payable Account
b) Total Revenue Account
c) Debtors Account
d) Stock Account
Answer: _____
- 19) Extra commission given to the consignee, for making him responsible for Bad-debts this extra commission is known as _____
a) Commission
b) Del credere commission
c) Profit to consignee
d) Over-riding commission
Answer: _____
- 20) The cash and credit sales of the branch are Rs.5, 000 and Rs.15, 000 respectively. The amount collected from debtors is Rs.10, 000. The amount credited to be branch account as cash remitted under debtor system will be _____
a) Rs.20, 000
b) Rs.15, 000
c) Rs.10, 000
d) Rs.5, 000
Answer: _____

- 21) In the books of consignor, the loss on consignment business will be charged to _____
a) Consignee A/c
b) General Trading A/c
c) General P/L A/c
d) Bank A/c
Answer: _____
- 22) Goods are sent to branch at 20% margin on the selling price. Branch stock is Rs.1, 00, 000. The amount of stock reserve to be created is _____
a) Rs.1, 00, 000
b) Rs.25, 000
c) Rs.20, 000
d) Rs.10, 000
Answer: _____
- 23) Average clause is an insurance policy applies only in case of _____
a) Life Insurance
b) Over Insurance
c) Under Insurance
d) Marine Insurance
Answer: _____
- 24) Under 'Debtor' method, closing balance in the Branch Account indicates _____
a) Amount due from the branch
b) Closing stock at the branch
c) Profit & Loss at the branch
d) Amount payable to branch
Answer: _____
- 25) If del-credere commission is allowed for bad-debt, consignee will debit the bad-debt amount to _____
a) Commission earned
b) Consignor A/c
c) Debtors Account
d) General Profit & Loss A/c
Answer: _____
- 26) Opening capital is ascertained by preparing _____
a) Total Debtors Account
b) Total Creditors Account
c) Cash Account
d) Opening Statement of Affairs
Answer: _____
- 27) Given the opening and closing balances of debtors and the figure of credit sales, the balancing figure of total debtors account will give _____
a) Bill retired during the year
b) Cash received from debtors
c) Closing balance of bills receivables
d) Bills payable accepted during the year
Answer: _____
- 28) Cash received from debtors needed for the construction of cash account can be ascertained from _____
a) Total Debtors Account
b) Balance Sheet
c) Analysis of Cash book
d) Pass book
Answer: _____
- 29) On receipt of goods the consignee debits which of these accounts _____
a) Purchase Account
b) Goods Account
c) Consignors Account
d) Not recorded
Answer: _____
- 30) Branch account under debtors' system is a _____
a) Real Account
b) Nominal Account
c) Personal Account
d) Representative personal account
Answer: _____
- 31) Fire insurance provides cover for _____
a) Tangible assets
b) Intangible assets
c) Fictitious assets
d) Current assets
Answer: _____

32) A fire insurance policy usually includes an _____ to discourage the under insurance of stock or any asset.

a) Average clause

b) Weighted clause

c) Closing stock

d) Opening stock

Answer: _____

33) Depreciation on branch assets under debtor system is _____

a) Not shown separately in branch account

b) Shown in branch account

c) Not accounted

d) Shown in the profit & loss account of head office

Answer: _____

34) Goods sent on consignment account is of the nature of _____

a) Personal account

b) Nominal account

c) Real account

d) Sales account

Answer: _____

35) An estimate of asset and liabilities as on a date is called _____

a) Balance sheet

b) Statement of Affairs

c) Statement of capital

d) Trial balance

Answer: _____

Duration: 2 hour & 45 Minutes.

Marks: 75
Sub: Fin. Accounting - II

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- Q.1 Multiple Choice Question (Separate Sheet Attached)
Q.2 Solve any 1 Question out of 3.

A.
Fancy dress maker of Mumbai of Mumbai consigned 1, 600 bales of goods to Mr. Avdhoot of Kalyan. The cost price was Rs.800 per bale but the invoice was made out to a show a gross profit of 25% on cost price. Mr. Avdhoot sold three fourth of the consignment at a profit of 25% on invoice price and incurred Rs.10, 000 on account of freight and landing charges and also paid Rs.6, 000 of godown rent exclusive commission. Consignor spent Rs.5, 000 earlier as expenses. Mr. Avdhoot is entitled to a commission of 5% on sales. Mr. Avdhoot sent a Bank draft for the balance due. Prepare necessary accounts in the books of consignor.

B.
Sen & Co. of Calcutta consign goods costing Rs.25, 000 to their agent, Mustak of Mysore, on they pay freight, insurance and charges Rs.1, 500, drawing on him a bill of exchange at 90 days for Rs.20, 000. They discount the bill at Mercantile Bank being charged Rs.200 there for. After two months they received from their agent an Account Sales informing that the entire consignment has been sold for Rs.35, 000 that expenses amounting to Rs.700 have been incurred and showing as a deduction the agreed commission of 2 per cent on the amount realized. A draft on the Syndicate Bank was enclosed for the balance due.
Show important ledger accounts in the books of Consignor.

C.
The Kolkata Motors Ltd. consigned to their agent in Patna two motor cars costing Rs.48, 000/- each for sale. Commission was payable ordinary 8% and del-credere commission 2%. The agent was to bear all expenses in Patna which amounted to Rs.6, 500. The agent sold one car for Rs.65, 000 and remitted Rs.52, 000 on account. The second car was sold for Rs.71, 500 but out of this a sum of Rs.13, 000 become bad-debt. Open necessary accounts in the books of both consignor and consignee.

- Q.3 Solve any 1 Question out of 3.

A.
Bush prepares accounts on 30th June each year. On 30th September, 2013, fire destroyed the greater part of his stock. Following information was collected from his books:
Stock on 30th June, 2013 Rs.2, 92, 500
Purchases from 1st July, 2013 to 30th September, 2013 Rs.6, 00, 000
Wages from 1st July, 2013 to 30th September, 2013 Rs.2, 27, 500
Sales from 1st July, 2013 to 30th September, 2013 Rs.10, 00, 000
Average percentage of gross profit to cost is $33 \frac{1}{3}$ rd %. Stock of value Rs.70, 000 was salvaged. Policy was for Rs.2, 50, 000. Claim was subject to average clause. Following further information is available.

- Stock in the beginning was calculated at 10% less than cost.
- Purchases include purchases of plant Rs.50, 000.
- Plant was sold in August and firms own men had spent time amounting to Rs.2, 500 which was included in wages.

You are required to calculate the amount of claim.

B.
Fire occurred in the premises of ABC and Co. on 1st September, 2000 and stock of the value of Rs.1, 01, 000 was salvaged and the business books and records were salvaged. The following information was obtained.

Particulars	Rs.
Purchased for the year ended 31-03-2018	7, 00, 000
Sales for the year ended 31-03-2018	11, 00, 000
Purchased from 01-03-2018 to 01-09-2018 (Evenly Spread during the period)	2, 40, 000
Sales from 01-03-2018 to 01-09-2018 (Evenly spread during the period)	3, 60, 000
Stock on 31 st March, 2017	3, 00, 000
Stock on 31 st March, 2018	3, 40, 000

Further information is also given that the stock on 31-03-2018 was overvalued Rs.20, 000. Calculate the amount of the claim to be represented to the insurance company in respect of losses. Rate of Gross Profit based on the year ended 31-03-2018.

C.

A fire occurred on October 14, 2005 destroyed the stock of a Nandu and Associates. The business records were saved and from them the following particulars were ascertained.

Stock at Cost on April, 2004	Rs. 88, 600
Stock on April 1, 2005	Rs. 75, 100
Purchases for the year up to 31/03/2005	Rs. 2, 07, 700
Sales for the year up to 31/03/2005	Rs. 3, 05, 000
Purchases from 1 st April, 2005 to 14 th October, 2005	Rs. 74, 700
Sales from 1 st April, 2005 to 14 th October, 2005	Rs. 1, 18, 000

In valuing stock on 31st March, 2005 Rs.1, 200 had been written off a particular line of goods which had originally cost Rs.3. 600 and which were sold in June, 2005 for Rs.3, 500. Except as regards this transactions the ratio of Gross Profit had remain unchanged throughout. Salvaged was Rs.10, 210.

Calculate the amount of insurance claim to lodged with the insurance company.

Q.4 Solve any 1 Question out of 3.

10

A.

BPO company has a branch at Pune. Goods are invoiced to the branch at 20% profit on invoice price. Branch has been instructed to send cash daily to the head office. All expenses of the Branch are paid by the head office except petty expenses which are met by the Branch manager. From the following particulars prepare Branch Account in the books of head office. The details of transactions for the year ended 31st December, 2013 were as under:

Particulars	Amount (Rs)
Stock as on 1 st January, 2013 (Invoice Price)	84, 000
Sundry Debtors – 01 st January, 2013	36, 000
Cash in Hand – 01 st January, 2013	1, 600
Furniture – 01 st January, 2013	8, 000
Goods invoiced to Branch (Invoice price)	3, 20, 000
Goods returned to H.O. (Invoice price)	4, 800
Goods returned by Debtors	2, 000
Cash received from Debtors	1, 24, 000
Cash sales	2, 00, 000
Credit sales	1, 28, 000
Discount allowed to Debtors	2, 400
Expenses paid by H.O.	
- Rent	4, 800
- Salary	9, 600
- Stationery	16, 000
Petty expenses paid by Branch Manager	1, 200

Depreciation is to be provided on Furniture at 10% p.a. Stock on 31st December, 2013 at Invoice Price Rs.60, 000.

B.

Delhi Soap Mills Ltd. has branch at Agra. Goods are invoiced to Branch at Cost plus 50%. Branch remits all cash received to the head office and all expenses are met by the head office. From the following particulars, prepare the necessary accounts under the Stock and Debtors system to show the profit earned at the Branch:

Particulars	Amount (Rs)
Stock on 1 st April, 2004 (Invoice Price)	93, 000
Debtors on 1 st April, 2004	68, 000
Goods invoiced to Branch (Cost)	3, 40, 000
Sales at Branches:	
- Cash Sales	2, 50, 100
- Credit Sales	3, 10, 000
Cash collected from Debtors	3, 04, 000
Goods returned by Debtors	12, 000
Goods returned by Branch to Head Office	1, 500
Shortage of Stock	4, 500
Discount allowed to Customers	2, 000
Expenses at Branch	54, 000

C.

The following particulars relate to Rajkot Branch of Raj Traders with Head Office at Raipur for the year 2007:

Particulars		Rs.
On 01.01.2007	At Branch	Stock
		Debtors
		Petty Cash
		Furniture
		O/s. Expenses
During the year 2007		
	Goods sent to branch	
	Of which goods returned by branch was worth	

Total Sales was Rs. 1, 80, 000 of which 75% was on Cash basis. Goods worth Rs. 2, 000 were returned by customers. Customers paid Rs. 36, 000 to branch and Rs. 2, 000 to head office directly and were allowed a discount of Rs. 1, 000. Branch does not retain any cash from its receipts. Amount remitted to Branch for expenses was Rs. 8, 000, to pay for Rent Rs. 2, 400, Salaries Rs. 3, 600, Petty Expenses Rs. 1, 200. and Annual insurance premium for year ending 31st March each year Rs. 800.

Depreciation chargeable @ 10% on Furniture Goods worth Rs. 1, 600 was destroyed in an accidental fire and Head Office received Rs. 1, 200 from insurance company as claim.

On 31 December, 2007; Stock was valued Rs. 8, 000, due from Debtors were Rs. 8, 000. Cash on hand was Rs. 900. All expenses for year were paid except salary Rs. 250.

Prepare Branch Account.

Q.5 Solve any 1 Question out of 3.

10

A.

Mr. Manish carries on a grocery business and does not keep his books on double entry basis. The following particulars have been extracted from his books:

Particulars	01/07/2007 (Rs.)	30/06/2008 (Rs.)
Plant and Machinery	25, 000	25, 000
Stock	22, 000	19, 500
Sundry Debtors	8, 000	25, 500
Sundry Creditors	12, 500	10, 000
Cash in Hand	400	800
Bank Balance	6, 250	7, 000 (Cr.)

The following cash transaction took place during the year ending 30th June 2008:

Receipts	Amount (Rs)	Payments	Amount (Rs)
Received on account of Cash Sales	31, 250	Payment for Purchases	28, 850
		Payment to Sundry Creditors	1, 32, 000
Received from Sundry Debtors	1, 60, 000	General Expenses of Business	21, 450
		Wages	15, 000
		Drawings	6, 800

During the year, Harish had taken good from the business for his own consumption which amounted to Rs. 1,950/- and not paid any money into the business for them.

You are required to prepare: The Trading and Profit & Loss Account for the year ending 30th June, 2008 after charging 10% Depreciation on Plant & Machinery.

B.

Mr. Shreenath keeps his books on Single Entry System. Following information is available from his records:

Particulars	01/07/2007 (Rs.)	30/06/2008 (Rs.)
Stock	28, 000	30, 000
Bills Receivable	8, 000	6, 000
Debtors	14, 000	18, 000
Bills Payable	4, 000	5, 000
Sundry Creditors	12, 000	9, 000
Cash at Bank	3, 000	5, 000

Summary of Cash Transactions during the year 2008:

Receipts	Amount (Rs)	Payments	Amount (Rs)
Opening Balance	3,000	Payment to Creditors	30,000
Received from Debtors	45,000	Payment against Bills Payable	25,000
Received against Bills Receivable	25,000	Office Expenses	4,000
Sundry Income	2,000	Domestic Expenses	5,000
		Investments	6,000
		Closing Balance	5,000
Total	75,000	Total	75,000

Investments consisted of 4% Government Bonds of the face value of Rs. 10,000/- and were purchased on 1st January, 2008.

Investments consisted of 4% Government Bonds of the face value of Rs. 10,000/- and were purchased on 1st January, 2008.

Prepare Trading Account and Profit & Loss Account for the year ended 2008.

C. Mr. Bholenath keeps his books by Single Entry. An analysis of his Cash Book for the year ended 31st December, 2007 gives the following particulars:

Particulars	(Rs.)
Debit Side:	
- Received from Sundry Debtors	6,000
- Paid on Capital Account	1,500
Credit Side:	
- Due to Bank 01.01.2007	500
- Payment to Sundry Creditors	2,500
- General Expenses of Business	1,000
- Wages	1,550
- Drawings	300
- Balance at Bank	1,400
- Balance in Hand	250

Further information is as under:

Particulars	01/01/2007 (Rs.)	31/12/2007 (Rs.)
Debtors	5,300	8,000
Creditors	1,500	1,950
Stock	1,700	1,900
Plant and Machinery	2,000	2,000
Furniture and Fittings	1,000	1,000

The following information is also relevant:

- 1) Depreciation at the rate of 10% per annum on Plant and Machinery and on Furniture & Fixtures should be provided.

From the above information, prepare: Trading Account and Profit & Loss Account for the year ended 31st December 2007.